



# Louisiana Professional Engineering and Land Surveying Board



DEPARTMENT OF TRANSPORTATION AND DEVELOPMENT  
STATE OF LOUISIANA

BASIC FINANCIAL STATEMENTS  
AND AGREED-UPON PROCEDURES

AS OF AND FOR THE YEAR ENDED JUNE 30, 2014

LOUISIANA PROFESSIONAL ENGINEERING AND LAND SURVEYING BOARD  
DEPARTMENT OF TRANSPORTATION AND DEVELOPMENT  
STATE OF LOUISIANA  
BASIC FINANCIAL STATEMENTS  
AND AGREED-UPON PROCEDURES  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2014

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*Louisiana Society of Certified Public Accountants*  
*American Institute of Certified Public Accountants*  
*Association of Governmental Accountants*  
*Governmental Audit Quality Control Center*

**INDEPENDENT ACCOUNTANTS' COMPILATION REPORT**

To the Board Members of the  
Louisiana Professional Engineering and Land Surveying Board  
9643 Brookline Avenue, Suite 121  
Baton Rouge, Louisiana 70809

We have compiled the accompanying financial statements of the business-type activities of the Louisiana Professional Engineering and Land Surveying Board, a component unit of the State of Louisiana, as of and for the year ended June 30, 2014, which collectively comprise the Board's basic financial statements as listed in the table of contents. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with accounting principles generally accepted in the United States of America.

The management of the Louisiana Professional Engineering and Land Surveying Board is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the compilation in accordance with *Statements on Standards for Accounting and Review Services* issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist the management of the Louisiana Professional Engineering and Land Surveying Board in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements. We did become aware of a departure from accounting principles generally accepted in the United States of America that is described in the following paragraph.

Management has elected to omit substantially all of the disclosures required by accounting principles generally accepted in the United States of America. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Board's

financial position, results of operation and cash flows. Accordingly, these financial statements are not designed for those who are not informed about such matters.

The accompanying supplemental schedules and information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. We have compiled this supplementary information from information that is the representation of management, without audit or review. Accordingly, we do not express an opinion or provide any assurance on the supplementary information.

In accordance with the *Louisiana Governmental Audit Guide* and the provisions of state law, we have issued a report, dated August 11, 2014, on the results of applying agreed-upon procedures.

A handwritten signature in cursive script that reads "Mary Sue Stages, CPA".

Mary Sue Stages, CPA  
A Professional Accounting Corporation  
Baker, Louisiana  
August 11, 2014

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## **BASIC FINANCIAL STATEMENTS**

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**LOUISIANA PROFESSIONAL ENGINEERING AND LAND SURVEYING BOARD**  
**DEPARTMENT OF TRANSPORTATION AND DEVELOPMENT**  
**STATE OF LOUISIANA**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2014**

	<u>Business-type Activities</u>
<b>ASSETS</b>	
Current Assets	
Cash and cash equivalents	\$ 239,478.66
Prepaid expenses	1,080.00
Accrued interest receivable	2,693.56
Total Current Assets	<u>243,252.22</u>
Non-Current Assets	
Investments	1,517,427.84
Total Assets	<u>1,760,680.06</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	-
<b>LIABILITIES</b>	
Current Liabilities	
Accounts payable	43,203.99
Payroll withholdings and related payables	13,296.05
Accrued salaries payable	12,045.96
Total Current Liabilities	<u>68,546.00</u>
Non-Current Liabilities	
Compensated absences payable	40,502.13
Other post-employment benefits plan payable	589,779.24
Total Non-Current Liabilities	<u>630,281.37</u>
Total Liabilities	<u>698,827.37</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	<u>-</u>
<b>NET POSITION</b>	
Unrestricted, designated for:	
Litigation contingency	400,000.00
Other post-employment benefits	525,000.00
Unrestricted, undesignated	136,852.69
Total Net Position	<u><u>1,061,852.69</u></u>

See Independent Accountants' Compilation Report

**LOUISIANA PROFESSIONAL ENGINEERING AND LAND SURVEYING BOARD**  
**DEPARTMENT OF TRANSPORTATION AND DEVELOPMENT**  
**STATE OF LOUISIANA**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES**  
**IN FUND NET POSITION**  
**YEAR ENDED JUNE 30, 2014**

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	<u>Business-type Activities</u>
<u>OPERATING REVENUES</u>	
Licenses and other fees	\$ 1,405,575.00
<u>OPERATING EXPENSES</u>	
Salaries and related benefits	776,820.25
Meetings, conferences and travel	115,682.21
Professional services	364,259.20
General and administrative	213,144.24
Total Operating Expenses	<u>1,469,905.90</u>
Operating Loss	(64,330.90)
<u>NON-OPERATING REVENUES (EXPENSES)</u>	
Interest income	5,706.63
Other revenues	60,232.24
Total Non-Operating Revenues (Expenses)	<u>65,938.87</u>
Change in Net Assets	1,607.97
Total Net Position, beginning	<u>1,060,242.72</u>
Total Net Position, ending	<u><u>1,061,850.69</u></u>

**LOUISIANA PROFESSIONAL ENGINEERING AND LAND SURVEYING BOARD**  
**DEPARTMENT OF TRANSPORTATION AND DEVELOPMENT**  
**STATE OF LOUISIANA**  
**STATEMENT OF CASH FLOWS**  
**YEAR END JUNE 30, 2014**

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	<u>Business-type Activities</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Cash received from customers	\$ 1,405,575.00
Cash paid to suppliers for goods/services	(655,963.00)
Cash paid to employees for services	(749,697.96)
Net Cash Used for Operating Activities	<u>(85.96)</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>	
Cash received from miscellaneous receipts	60,232.24
Net Cash Provided by Non-Capital Financing Activities	<u>60,232.24</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	-
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Purchase/maturity of certificates of deposit	(181,338.13)
Interest earned on investments	6,338.13
Net Cash Used for Investing Activities	<u>(175,000.00)</u>
Net Decrease in Cash and Cash Equivalents	(114,853.72)
Cash and Cash Equivalents, beginning of year	<u>354,332.38</u>
Cash and Cash Equivalents, end of year	<u><u>239,478.66</u></u>

Continued



**LOUISIANA PROFESSIONAL ENGINEERING AND LAND SURVEYING BOARD**  
**DEPARTMENT OF TRANSPORTATION AND DEVELOPMENT**  
**STATE OF LOUISIANA**  
**STATEMENT OF CASH FLOWS (Continued)**  
**YEAR END JUNE 30, 2014**

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	<u>Business-Type Activities</u>
RECONCILIATION OF OPERATING LOSS TO NET CASH USED FOR OPERATING ACTIVITIES	
Operating loss	\$ (64,330.90)
Adjustments to Reconcile Operating Loss to Net Cash Used for Operating Activities:	
(Increase) decrease in assets:	
Prepaid expenses	809.89
Increase (decrease) in liabilities:	
Accounts payable	36,312.76
Payroll withholdings and related payables	(16,898.55)
Accrued salaries	1,985.03
Compensated absences payable	1,757.98
Other post-employment benefits plan payable	<u>40,277.83</u>
Net Cash Used for Operating Activities	<u><u>(85.96)</u></u>

See Independent Accountants' Compilation Report

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## **SUPPLEMENTAL SCHEDULES AND INFORMATION**

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**LOUISIANA PROFESSIONAL ENGINEERING AND LAND SURVEYING BOARD**  
**DEPARTMENT OF TRANSPORTATION AND DEVELOPMENT**  
**STATE OF LOUISIANA**  
**SCHEDULE OF PER DIEM PAID TO COMMISSION MEMBERS**  
**JUNE 30, 2014**

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In compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature, this schedule of per diem/compensation paid to Board members is presented for the year ended June 30, 2014.

<u>Name</u>	<u>Amount</u>
James E. Bowie, Jr.	\$ 1,200.00
Kevin E. Crosby	2,487.50
Paul N. Hale, Jr.	2,758.75
John T. Irving	3,752.50
Christopher P. Knotts	900.00
Alan D. Krouse	100.00
John W. Moore	2,995.00
Ali M. Mustapha	3,216.00
Donald S. Phillips	200.00
Theodore H. Thompson	1,500.00
Miles B. Williams	<u>590.00</u>
Total	<u>19,699.75</u>

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**INDEPENDENT ACCOUNTANTS' REPORT**  
**ON APPLYING AGREED-UPON PROCEDURES**

To the Board Members of  
Louisiana Professional Engineering and Land Surveying Board  
9643 Brookline Avenue, Suite 121  
Baton Rouge, Louisiana 70809

We have performed the procedures enumerated below as they are a required part of the engagement. We are required to perform each procedure and report the results, including any exceptions. Management is required to provide a corrective action plan that addresses all exceptions noted. For any procedures that do not apply, we have marked "not applicable".

Management of the Louisiana Professional Engineering and Land Surveying Board, a component unit of the State of Louisiana, is responsible for its financial records, establishing internal controls over financial reporting and compliance with applicable laws and regulations. These procedures were agreed to by management of the Louisiana Professional Engineering and Land Surveying Board and the Legislative Auditor, State of Louisiana, solely to assist the users in assessing certain controls and in evaluating management's assertions about the Louisiana Professional Engineering and Land Surveying Board' compliance with certain laws and regulations during the year ended June 30, 2014.

This agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

**General**

1. Determine if there are adequate written policies and procedures for the primary financial and business functions of the entity.

*The written policies and procedures were reviewed and determined to be adequate for the primary financial and business functions of the Board.*

2. Perform analytical procedures comparing current and prior year financial statements by line item. Identify and obtain explanations for variances of 10% or greater for line items and/or 10% or more of the respective assets, liabilities, equity, revenues and expenses.

*Analytical procedures comparing current and prior year financial statements did not indicate any exceptions.*

### **Cash**

1. Prepare a proof of cash for the period covered by the financial statements.

*This was accomplished for each bank account maintained by the Board.*

2. Determine if cash collection responsibilities are adequately segregated to ensure that the person responsible for cash collections is not responsible for posting accounts receivable or making deposits.

*It was determined that cash collection responsibilities are adequately segregated.*

3. Determine if bank reconciliations have been prepared for all months in the period covered by the financial statements. Determine if there is evidence of management review of the bank reconciliations. Determine if the reconciled balance for the final month of the fiscal or calendar year agrees to the general ledger.

*Bank reconciliations were timely prepared for each month of the fiscal year and agree with the reported amount on the general ledger. Management and an independent accountant review the reconciliations monthly and will begin initialing and dating as evidence of such review.*

### **Credit Cards**

1. Obtain from management a listing of all active credit/debit cards for the period under examination, including the card numbers and the names of the persons who maintained possession of the card.

*The Board utilizes a debit card for some purchases as opposed to a credit card.*

2. Obtain the monthly statements for all credit/debit cards used during the period under examination and select for detailed review the largest (dollar amount) statement for the two cards with the most activity:

a. obtain the entity's supporting documentation for the largest purchase/charge shown on each selected monthly statement:

1. determine if each purchase is supported by:
  - i. an original itemized receipt;
  - ii. documentation of the business/public purpose;
  - iii. other documentation as may be required by policy; and



2. determine if selected purchases effectively circumvented the entity's normal procurement/purchasing process and/or the Louisiana Public Bid Law.

b. determine if there is evidence of management review of the two selected statements.

*Charges for each month were reviewed, and the month with the highest dollar activity was chosen for further investigation. There were no exceptions noted nor were there any purchases that appeared to have circumvented the Board's normal procurement/purchasing process or the Louisiana Public Bid Law.*

### **Travel and Expense Reimbursement**

1. Obtain a listing of all travel and related expense reimbursements during the period under examination and trace to the general ledger for completeness. Select for review the three persons who were reimbursed the most money:

*Travel and expense reports were reviewed, and the activity of the three persons reimbursed the highest dollar amount was chosen for further investigation.*

a. obtain all of the expense reimbursement reports of each selected person, including the supporting documentation and choose the largest expense report from each person to review in detail:

1. determine if each expenditure is:

- i. reimbursed in accordance with written policy and applicable laws;
- ii. for an appropriate and necessary business purpose relative to the travel; and

2. determine if each expenditure is supported by:

- i. an original itemized receipt;
- ii. documentation of the business/public purpose;
- iii. other documentation as may be required by policy; and

3. determine if each expense report was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

*There was one exception noted involving \$32.50 in non-business purpose expenses. This amount is being deducted from the individual's expense report scheduled to be processed in August. Based on the original receipt observed, it is reasonable to believe that this was an unintentional and isolated oversight.*

### **Contracts**

1. Review accounting records for the period under examination to identify individuals/businesses being paid for contracted services. Select five "vendors" that were paid the most money during the period and determine if there is a formal/written contract that supports these services arrangement.

*Contracts were observed for the five highest paid individuals and/or businesses providing contracted services to the Board.*

2. Obtain a listing of all active contracts and the expenditures made during the period under examination and trace to the general ledger for completeness. Select for detailed review, the largest (dollar amount) contract in each of the following categories that was entered into during the period - (1) services; (2) materials and supplies; and (3) public works.

a. obtain the selected contract and the related paid invoices and:

1. determine if the contract is a related party transaction by obtaining management's representation; and

2. determine if the transaction is subject to the Louisiana Public Bid Law or Procurement Code:

i. if yes, determine if the entity complied with all requirements; and

ii. if no, determine if the entity provided an open and competitive atmosphere for the transaction/work; and

3. determine if the contract was amended:

i. if so, determine whether the original contract contemplated or provided for such an amendment; and

ii. determine if the amendment is outside of the scope of the original contract:

a. if so, whether it should have been separately bid and contracted; and

4. select the largest payment from each of the three largest contracts selected above and determine if the invoice(s) received and payment complied with the terms and conditions of the contract; and

5. determine if there is documentation of board approval, if required.

*Payments made to the individuals and/or businesses paid the highest dollar amount in the three categories listed above were reviewed. There were no exceptions related to the items enumerated herein.*

### **Payroll and Personnel**

1. Obtain a listing of employment contracts/salaries in force during the period under examination and trace to the general ledger for completeness. Select the five highest paid employees and:

a. determine if payments issued during the period under examination were done in strict accordance with the terms and conditions of the contract or pay rate structure; and

b. determine if changes made to hourly pay rates/salaries during the period under examination were approved in writing and in accordance with policy.

*Personnel records for the five highest paid employees were investigated. There were no exceptions noted.*

2. Select the attendance and leave records for one pay period in which leave has been taken by at least one employee and:

- a. determine if all employees are documenting their daily attendance and leave; and
- b. determine if supervisors are approving, in writing, the attendance and leave of all employees; and
- c. determine if the entity is maintaining accurate written leave records on all eligible employees.

*A sample of leave and attendance records were observed. There were no exceptions noted.*

3. Select the two largest termination payments made during the period under examination. Determine if the payments were supported by adequate documentation made in strict accordance with policy and/or contract and properly approved.

*There was one termination payment made during the fiscal year. It was determined that there was adequate documentation to support the final payments made.*

#### **Budget**

1. Obtain a copy of the legally adopted budget and all amendments.

*A copy of the original and final amended budget was obtained.*

2. Trace the budget adoption and amendments to the minute book.

*The adoption and subsequent amendment was traced to the minute book.*

3. Compare the total revenues and total expenditures of the final budget to actual total revenues and total expenditures on the financial statements or AFR. Report variances of 10% or greater.

*A comparison of the actual revenues and expenditures to the final budgeted amounts did not indicate any exceptions.*

#### **Debt**

1. If debt was issued during the financial statement period, verify that State Bond Commission approval was obtained, as applicable.

*There was no debt issued during the fiscal year.*

2. Determine compliance with applicable debt covenants.

*Not applicable.*

**Corrective Action**

1. Obtain management's response and corrective action plan for any exceptions noted in the above agreed-upon procedures.

***Exception to Travel and Expense Reimbursement***

*Management researched the \$32.50 reimbursement during our visit and determined that it was, in fact, non-business expenses. Action to remedy this by deducting the amount from the expense reimbursement being processed currently was immediately taken.*

We were not engaged to perform, and did not perform an audit, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of management of the Louisiana Professional Engineering and Land Surveying Board and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:515, this report is distributed by the Legislative Auditor as a public document.



Mary Sue Stages, CPA  
A Professional Accounting Corporation  
Baker, Louisiana  
August 11, 2014